

STATE OF NORTH CAROLINA
WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF
THE NORTH CAROLINA STATE BAR
- 14 DHC 12

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

ROBERT A. BRADY,

Defendant

ANSWER TO COMPLAINT

NOW COMES Defendant, Robert A. Brady, by and through undersigned counsel, and in response to the allegations of Plaintiff's Complaint, answers and says as follows:

1. The allegations contained in paragraph 1 of the complaint are admitted.
2. The allegations contained in paragraph 2 of the complaint are admitted; however, the allegations of the Complaint do not relate to any acts Defendant committed while he was engaging in the practice of law, nor is any allegation related to any client of Defendant.
3. The allegations contained in paragraph 3 of the complaint are admitted.
4. As to the allegations contained in paragraph 4 of the complaint, Defendant admits that he and his ex-wife, Susan Alexander, executed a Separation and Property Settlement Agreement on or about April 1, 1994.
5. As to the allegations contained in paragraph 5 of the complaint, Defendant admits that an account was created for the benefit of his daughter, and that pursuant to the separation agreement, this was to be his daughter's college account and Defendant was to be responsible for this account. Upon information and belief, at the time of the parties' separation agreement, the balance of the college account was \$4,428.69. As of the date of this Answer, undersigned counsel is without

sufficient information to respond to the allegation that this account was a "UTMA account," created pursuant to N.C. Gen. Stat. 33A-1, et seq, as it has been over twenty years since this account was established and the account statements do not specify or denominate whether this account is a UTMA account or some other type of account for the benefit of Defendant's daughter. Defendant expects to receive additional account information via subpoena and this additional information may clarify this issue.

6. As to the allegations contained in paragraph 6 of the complaint, and subject to the caveat set forth in paragraph 5 above regarding the account being set up as a "UTMA account," Defendant admits the allegations in paragraph 6 of the complaint.

7. As to the allegations contained in paragraph 7 of the complaint, Defendant admits that the funds in the account were to be used only for the benefit of his daughter. Defendant further admits, upon information and belief, that contributions to the account were irrevocable.

8. Upon information and belief, the allegations contained in paragraph 8 of the complaint are admitted.

9. As to the allegations asserted in Paragraph 9 of the Complaint, it is admitted that funds were withdrawn from the account by Defendant and deposited into either the Defendant's law firm operating account or Defendant's personal checking account. It is admitted that Defendant paid Defendant's business expenses, including income to Defendant, from Defendant's law firm operating account and Defendant paid his personal expenses from his personal checking account. It is admitted that Defendant and his wife traveled overseas to visit Defendant's wife's relatives and that the expenses for said travel were ultimately paid from Defendant's personal checking account. In addition, it is admitted that Defendant's wife had cosmetic surgery and that the expense for said

surgery was paid from Defendant's personal checking account. Defendant's wife reimbursed Defendant's personal checking account for said surgery from an individual account in Defendant's wife's name. Defendant admits that these funds were not used for Defendant's daughter's post-high school education or related living expenses.

10. The allegations contained in paragraph 10 of the complaint are admitted.

11. The allegations contained in paragraph 11 of the complaint are admitted.

12. The allegations contained in paragraph 12 of the complaint are admitted.

13. As to the allegations contained in paragraph 13 of the complaint, subject to the caveat set forth in paragraph 5 above, Defendant admits that his daughter did not authorize the withdrawals from the account and that such withdrawals were not used for the college expenses of Defendant's daughter.

14. As to the allegations contained in paragraph 14 of the complaint, Defendant admits that he should not have withdrawn funds from this account for his personal or business expenses, even if he had made the contributions to the account himself. Defendant admits that such withdrawals may be considered a breach of fiduciary duty to his daughter, to the extent that such withdrawals were required to be made for the direct benefit of his daughter. However, the purpose of this account, per the separation agreement, was for Defendant's daughter's college education and Defendant knew that he was solely responsible for paying his daughter's college expenses and was going to bear the full financial burden of her college education expenses, regardless of whether the money came from the college account, or whether it came from Defendant's personal funds. Defendant did, in fact, pay for his daughter's college educational expenses from his personal funds, and also made restitution to his daughter in the amount of \$82,000 for the amounts withdrawn from

the college account. Also, \$12,362.78 remained in the college account when it was turned over to Defendant's daughter in 2011.

15. As to the allegations contained in paragraph 15 of the complaint, Defendant admits that he did not specifically notify his ex-wife of the withdrawals. Defendant did, however, fax account statements to his ex-wife which, upon information and belief, reflected the withdrawals from the account.

16. As to the allegations contained in paragraph 16 of the complaint, to the best of Defendant's recollection, he faxed copies of all account statements to his ex-wife as required.

17. As to the allegations contained in paragraph 17 of the complaint, Defendant admits that his withdrawals from the account constituted a taxable event resulting in the imposition of either a tax or penalty based on the withdrawal. Defendant paid all such taxes and/or penalties, in full.

18. The allegations contained in paragraph 18 of the complaint are denied. When Defendant's ex-wife asked him about the withdrawals from the account, Defendant told her about the withdrawals he recalled having made from the account. Defendant provided copies of statements for the account to his ex-wife by facsimile transmission, but did not retain copies of said statements.

- a. The allegations contained in paragraph (a) on page 2 of the Complaint are denied.
- b. The allegations contained in paragraph (b) on page 3 of the Complaint are denied.

RESPECTFULLY SUBMITTED this the 10th day of June, 2014.

GEORGE B. CURRIN
Attorney at Law

A handwritten signature in black ink, appearing to read 'GBC', followed by a horizontal line.

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CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Answer to Complaint has been duly served via U.S. Mail, first class-postage prepaid, to the following:

Leonor Bailey Hodge
Deputy Counsel
The North Carolina State Bar
P.O. Box 25908
Raleigh, NC 27611-5908

This the 10th day of June, 2014.


George B. Currin